

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Name of Claimant

Virginia Yeager

and

Case Number: 04-07411
Hearing Site: Omaha, Nebraska

Names of Respondents

Morgan Stanley DW, Inc., and
Ryan M. Jochim

NATURE OF DISPUTE

Customer v. Member and Associated Person

REPRESENTATION OF PARTIES

Virginia Yeager ("Yeager" or "Claimant") was represented by Gail E. Boliver, Esq., Boliver Law Firm, Omaha, Nebraska.

Morgan Stanley DW, Inc. ("Morgan Stanley") and Ryan M. Jochim ("Jochim"), hereinafter referred to as "Respondents," were represented by Debra R. Volland, Esq., Morgan Stanley DW, Inc., San Francisco, California.

CASE INFORMATION

The Statement of Claim was filed on or about October 22, 2004. The Submission Agreement of Claimant was signed on or about October 19, 2004.

The Statement of Answer was filed by Morgan Stanley on or about December 16, 2004. The Submission Agreement of Morgan Stanley was signed on or about December 15, 2004.

The Statement of Answer was filed by Jochim on or about March 11, 2005. The Submission Agreement of Jochim was signed on or about March 8, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty; negligence; violations of Nebraska Securities Acts; unsuitability; failure to supervise; misrepresentation;

and breach of contract. Claimant alleged that Respondents recommended and purchased various unspecified stocks that did not meet her retirement needs which led to substantial losses in her portfolio.

Unless specifically admitted in its Answer, Morgan Stanley denied the allegations made in the Statement of Claim and asserted affirmative defenses including the following: failure to state a claim; statute of limitations; waiver; contributory negligence; assumption of risk; ratification; lack of due diligence; severe economic and market declines; failure to mitigate; unclean hands; and no cause of action for violation of NASD or NYSE Rules.

Respondent Jochim adopted Morgan Stanley's Answer and Affirmative Defenses.

RELIEF REQUESTED

Claimant requested an award in the amount of \$213,148.00 in compensatory damages, plus punitive damages, interest, costs, attorneys' fees and such other relief as the panel deemed just and proper.

Respondents requested that the claims asserted against them be denied in their entirety.

OTHER ISSUES CONSIDERED & DECIDED

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

- 1) Respondent, Morgan Stanley DW, Inc., is liable for and shall pay to Claimant, Virginia Yeager, the sum of \$154,000.00 in compensatory damages;
- 2) Respondent, Ryan M. Jochim, is liable for and shall pay to Claimant, Virginia Yeager, the sum of \$1,000.00 in compensatory damages;
- 3) Other than Forum Fees which are specified below, the parties shall each bear their own costs and expenses incurred in this matter; and

- 4) Any relief not specifically enumerated, including punitive damages and attorney fees, is hereby denied with prejudice.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fee for each claim:

Initial claim filing fee = \$300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm is Morgan Stanley DW, Inc.

Member surcharge = \$1,700.00
Pre-hearing process fee = \$ 750.00
Hearing process fee = \$2,750.00

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with a single arbitrator x \$450.00 = \$ 450.00
Pre-hearing conference: August 10, 2005 1 session

One (1) Pre-hearing session with Panel x \$1,125.00 = \$1,125.00
Pre-hearing conference: March 16, 2005 1 session

Six (6) Hearing sessions x \$1,125.00 = \$6,750.00
Hearing Dates: September 20, 2005 2 sessions
September 21, 2005 2 sessions
September 22, 2005 2 sessions

Total Forum Fees = \$8,325.00

The Arbitration Panel has assessed \$8,325.00 of the forum fees to Morgan Stanley DW, Inc.

Fee Summary

Claimant, Virginia Yeager, is liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$1,425.00
<u>Refund due to Claimant</u>	= \$1,125.00

Respondent, Morgan Stanley DW, Inc., is liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 8,325.00
<u>Total Fees</u>	= \$13,525.00
<u>Less payments</u>	= \$ 5,950.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 7,575.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Thomas C. Lauritsen, JD - Public Arbitrator, Presiding Chair
Hugh J. Perry - Public Arbitrator
Bruce C. Young - Non-Public Arbitrator

Concurring Arbitrators:

/s/ Thomas C. Lauritsen, JD
Thomas C. Lauritsen, JD
Public Arbitrator, Presiding Chair

09/30/05
Signature Date

/s/ Hugh J. Perry
Hugh J. Perry
Public Arbitrator

09/30/05
Signature Date

/s/ Bruce C. Young
Bruce C. Young
Non-Public Arbitrator

09/30/05
Signature Date

09/30/05
Date of Service (For NASD office use only)

Fee Summary

Claimant, Virginia Yeager, is liable for:

<u>Initial Filing Fee</u>	= \$ 300.00
<u>Total Fees</u>	= \$ 300.00
<u>Less payments</u>	= \$1,425.00
<u>Refund due to Claimant</u>	= \$1,125.00

Respondent, Morgan Stanley DW, Inc., is liable for:

<u>Member Fees</u>	= \$ 5,200.00
<u>Forum Fees</u>	= \$ 8,325.00
<u>Total Fees</u>	= \$13,525.00
<u>Less payments</u>	= \$ 5,950.00
<u>Balance Due NASD Dispute Resolution</u>	= \$ 7,575.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Thomas C. Lauritsen, JD - Public Arbitrator, Presiding Chair
Hugh J. Perry - Public Arbitrator
Bruce C. Young - Non-Public Arbitrator

Concurring Arbitrators:


Thomas C. Lauritsen, JD
Public Arbitrator, Presiding Chair

9-30-05
Signature Date

Hugh J. Perry
Public Arbitrator

Signature Date

Bruce C. Young
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Fee Summary

Claimant, Virginia Yeager, is liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$1,425.00
Refund due to Claimant	= \$1,125.00

Respondent, Morgan Stanley DW, Inc., is liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 8,325.00
Total Fees	= \$13,525.00
Less payments	= \$ 5,950.00
Balance Due NASD Dispute Resolution	= \$ 7,575.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Thomas C. Lauritsen, JD - Public Arbitrator, Presiding Chair
Hugh J. Perry - Public Arbitrator
Bruce C. Young - Non-Public Arbitrator

Concurring Arbitrators:

Thomas C. Lauritsen, JD
Public Arbitrator, Presiding Chair

Signature Date


Hugh J. Perry
Public Arbitrator

9-30-05

Signature Date

Bruce C. Young
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Fee Summary

Claimant, Virginia Yeager, is liable for:

Initial Filing Fee	= \$ 300.00
Total Fees	= \$ 300.00
Less payments	= \$1,425.00
Refund due to Claimant	= \$1,125.00

Respondent, Morgan Stanley DW, Inc., is liable for:

Member Fees	= \$ 5,200.00
Forum Fees	= \$ 8,325.00
Total Fees	= \$13,525.00
Less payments	= \$ 5,950.00
Balance Due NASD Dispute Resolution	= \$ 7,575.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

ARBITRATION PANEL

Thomas C. Lauritsen, JD - Public Arbitrator, Presiding Chair
Hugh J. Perry - Public Arbitrator
Bruce C. Young - Non-Public Arbitrator

Concurring Arbitrators:

Thomas C. Lauritsen, JD
Public Arbitrator, Presiding Chair

Signature Date

Hugh J. Perry
Public Arbitrator

Signature Date



Bruce C. Young
Non-Public Arbitrator

9-30-05

Signature Date

Date of Service (For NASD office use only)